

No funds, public or private, are coming in on the scale that Israel requires, the Chase source added, with no solution in sight.

Recently, the president of the oil multinational Atlantic Richfield said that one of the factors militating for a new Mid-east war was the "disintegration" of the Israeli economy.

#### FIRST PENN PREVENTS ISRAEL FINANCE PANIC

PHILADELPHIA, Nov. 26 (IPS)--The First Pennsylvania Corporation is negotiating the purchase of 13 per cent of the equity of the First International Bank of Israel, averting a possible new Israeli bank scandal, bank spokesmen confirmed today. But the bank refused to say who the purchaser of the equity will be.

The Israeli bank in question, in which First Pennsylvania has a 42 per cent equity share, was threatened by the bankruptcy Friday of Britain's Triumph Investment Trust, which held 13 per cent of the equity stake. The bank, Israel's fifth largest, was founded two years ago with participation by the Israeli government.

Trouble at First International Israel would have deepened the current financial crisis in Israel. Problems at the Israel Corporation, an investment bank whose stockholders included the French Rothschild family, rocked the Israeli financial scene in September and discouraged further contributions by Jewish supporters of Israel.

The Israel Corporation lost several tens of millions of dollars when a Swiss bank with whom it had heavy dealings, the Geneva-based Banque du Credit Internationale, applied for a debt moratorium under Swiss banking law. Previously, the Israel Corporation lost heavily when its deposits with the Swiss bank were placed with several failing real estate companies in Lichtenstein.

IPS reported in September that the bank problem in Switzerland showed evidence of sabotage by the Rockefeller financial group. Its director, Dr. Tibor Rosenbaum, was alleged by U.S. Treasury officials to have Mafia connections and was linked circumstantially to wartime Office of Strategic Services and post-war CIA activities.

In the case of the First International Bank of Israel, however, the same faction is taking steps to prevent further scandal, as the First Penn decision indicates.

An officer of a large New York bank which corresponds with the Israeli bank said that his dealings with the First International Bank of Israel, which include normal letter of credit and trade financing activities, are proceeding normally.

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